

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6763

BILL NUMBER: HB 1078

NOTE PREPARED: Jan 27, 2005

BILL AMENDED:

SUBJECT: Coal Reclamation Fees.

FIRST AUTHOR: Rep. Hoffman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill increases the reclamation fees per ton of coal produced for surface and underground coal mining operations.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: This bill increases the reclamation fee from \$0.03 to \$0.05 per ton of coal produced from surface coal mining operations. The bill also increases the fee from \$0.02 to \$0.03 per ton of coal produced from underground coal mining operations.

Reclamation fees are collected by the Department of Natural Resources (DNR). Based on reclamation fee collections, tons of coal produced for the past five fiscal years and the estimated new revenue that would be generated by the new fees are presented below.

Indiana Coal Production in Millions of Tons (FY 1999 through FY 2004) with Estimated New Revenue Generated by Increases in the Reclamation Fee							
Year	FY00	FY01	FY02	FY03	FY04	5-Year Average	Estimated New Revenue
Surface	27.2	26.6	28.6	26.3	26.4	27.0	\$540,000 (from \$0.02 increase)
Underground	4.6	5.7	7.9	7.8	9.3	7.0	\$70,000 (from \$0.01 increase)
TOTAL	31.8	32.3	36.5	34.2	35.8	34.1	\$610,000 (total new revenue)
Note: Numbers have been rounded.							

Reclamation fee revenues are deposited in the Natural Resources Reclamation Division Fund and used to fund the operations of the division.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR

Local Agencies Affected:

Information Sources: DNR

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